

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Commercial Mobile Radio Service)	WT Docket No. 06-17
Market Competition)	
)	
To: Wireless Telecommunications Bureau		

COMMENTS

Texas RSA7B3, Inc., dba Peoples Wireless (“Filer” or “Peoples Wireless”) submits these Comments in response to a Public Notice released by the Wireless Telecommunications Bureau (“Bureau”) to solicit data and information to evaluate the state of competition among Commercial Mobile Radio Service (“CMRS”) providers.¹ The Bureau invited comments to allow it to update the indicators of competition for the Commission’s next report to Congress and to determine whether or not there is effective competition in the CMRS market.

Filer is a small CMRS provider that serves the following rural market area(s): Partitioned Area of CMA658, consisting of Wood and Rains County, Texas. Filer’s cellular license is KNKN732.

Filer is a member of the Rural Cellular Association (“RCA”) and was encouraged by RCA to submit comments in this matter. RCA is a frequent commenter in various Commission proceedings and recommended that its members provide information that could be helpful to the Bureau in understanding the state of mobile voice and data competition, and trends, in rural areas.

The wireless service offered by Peoples Wireless covers virtually all of Wood County and Rains County, Texas, better than any competing nationwide wireless carrier. Our digital wireless

¹ Public Notice, *WTB Seeks Comment on CMRS Market Competition*, DA 06-62, released January 18, 2006.

service, using CDMA technology, is shown on the coverage map provided with these comments.

Peoples Wireless does not currently offer any mobile data service due to the high cost of providing the service and the limited demand from our customers at the current time.

A prevailing trend among rural carriers is the attrition of roaming revenue. Due to the numerous buyouts and mergers among the larger carriers, rural carriers' roaming revenue is getting smaller and smaller. The buyouts and mergers do not necessarily mean better service or coverage for the customer, but they do mean less competition. A perfect example of this would be our own experience here at Peoples Wireless. Our main competitor in our market had less than half the number of cell sites that we have to cover the same area. When a major roaming partner of ours bought out our main competitor and switched all of their roaming traffic over, our revenue dropped dramatically and so did the wireless coverage area for all of the customers who were affected.

The churn rate at Peoples Wireless is currently around 1.5% to 2% per month, which we understand is below the nationwide average. We have noticed no increase in churn due to the implementation of Local Number Portability.

The current trend in rate plans is to hold rates at current levels and to increase value-added features. However, with fewer and fewer competitors, Peoples Wireless cannot predict what the future holds.

Nationwide carriers do have a competitive advantage due to their purchasing power and their ability to obtain exclusive or at least preferential rights to the most popular new handsets. The smaller rural carriers are usually limited to older handset models, or models that were never marketed heavily by the handset manufacturer.

In conclusion, as the wireless industry continues to grow, and competition and regulation continue to weed out the small rural carriers, who will take care of the rural customers? Will the

nationwide carriers spend the money to make sure that rural customers get the coverage and advanced services they need to compete in today's society?

Respectfully submitted,

Texas RSA7B3, Inc., dba Peoples Wireless

[filed electronically]

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